70

(192) Departm

SERIES.

G.O. No.

1206

DATED

31-05-

[Despatch Abstract.]

Defalcation (South Kanara) Adipi Su
Balance uncollected — Recov
from the Stationery - Sub-Majo
order

LIST OF FINANCIAL IRREGULARITIES.

'Udipi.

Defalcation of Government money facilitated by negligence and inattention to rules.

5. During the verification of the closing balance of a sub-treasury on 31st March 1919 and 1st April 1919 it was found that there was a deficiency in cash and notes amounting to Rs.2442-0-10 as compared with the shroff's balance sheet, and that a sum of Rs.3 out of the office permanent advance and undisbursed pay was also missing. It was ascertained that the contents of the bundles of one rupee notes and the 8 bags of whole rupees which were received into double lock during the latter part of March 1919 had not been checked before being placed in double locks, by either the Taluk Head Accountant or the Stationary Sub Magistrate who held charge of the Tahsildar's keys at the time, as required by notes 1 and 2 under Article 305 of the Civil Account Code and that the Head Accountant omitted to see that shroff's slips were put into the bags placed in double locks as required by para 14-A of the Sub Treasury Manual. The defalcation was stated to be due to the fraud of the head shroff of the sub treasury who committed suicide by drowning himself in a well on the day on which the defalcation came to notice.

The Head Accountant whose disobedience of rules was found to have been habitual and whose neglect of his duties referred to above facilitated the fraud was reduced to a clerk on Rs.25 and has since died. The Stationary Sub Magistrate who held the Tahsildar's keys during the latter's absence, was also partially responsible, since under note 2 under para 16 of the Sub Treasury Manual he was answerable for the contents of the double lock receptacle and since under a foot note in form XVII of the Sub Treasury Manual he was required to set his initials in the shroff's balance sheet against the entry of each double-lock transaction. The Sub Magistrate seemed to

have however relied only on paras 7 and 13 of the Sub Treasury Manual for his duties and misunderstood the same. Necessary amendments have since been issued to the above paras by the Board of Revenue at the instance of this office, to bring out clearly the responsibilities of the holders of Tahsildar's keys.

Against the amount embezzled, a sum of Rs.1,000 was receovered from the sureties of the late shroff and credited to Government and a further sum of Rs.603-14-10 was also realised ~~in~~ from the property left by him. The Collector has also promised to recover a sum of Rs. 150 being the value of the three shares owned by the late shroff in a local bank. The adjustment of the balance of Rs.691-2-0 is under correspondence between the Collector and the Board of Revenue and final orders of the latter on the case are still awaited.

O.F. 178—1,000—17-7-20.

FINANCIAL DEPARTMENT.

CURRENT No

Received UNDER SECRETARY 7 NOV 1920 CHIEF SECTT 192 .

Registered 8-11- 1920

Subject.

Revenue w.o ni continuation of Fnl w.o. no. 4826 B-1 § 10-11-20.

ENCLOSURES
No. Six.
Spare copies

No. T.M-5-4/2864

FORT ST. GEORGE,

Dated the 6th November 1920

From W. D. WOOLLAM, Esq.,
Offg. ACCOUNTANT-GENERAL, MADRAS,

To

THE CHIEF SECRETARY TO THE GOVERNMENT OF MADRAS
Financial Department.

SIR,

With reference to item 5 of the list of Financial Irregularities submitted with this office letter No. T.M-23-67-18153 dated the 5th October 1920, I have the honour to forward herewith for the information of Government, copies of the correspondence noted on the margin*.

*

1. Extract of paras 7 to 10 of letter Ref. on C. No.1438/Rev.19 dated 1-8-1919 (confidential) from the Collector, South Kanara , to the Board of Revenue.
2. Extract of para 4 of the Collector's letter Ref. C.No.1436/Rev/19 dated 24-7-1920 to the Board of Revenue.
3. This office letter No. T.M-5-4-17799 dated 1-10-1920 to the Board of Revenue.
4. Board's reference No. B-954/20-4 dated 9-10-1920.
5. This office reply No. T.M.5-4-2797 dated 8-11-20

6. Board's Proceedings No. 6 of the 22-1-1920.

I have the honour to be,

Sir,

Your most obedient servant,

Offg. Accountant General

R

O.F. 110—2,000—30-6-20.

6

OFFICE OF THE ACCOUNTANT-GENERAL, MADRAS,

Fort St George, the 6th *of* November 192C

No.

ENCLOSURES.

I.

ENCLOSURES.

Extract of paras 7 to 10 of letter Ref. on C.No.1438/Rev./1
19 dated the 1-8-1919 (Confidential) from the Collector of
South Kanara, to the Board of Revenue.

---

* *

7. The gist of the Sub Magistrate's explanation is:

My duties as custodian of the Tahsildar's keys during the latter's absence from headquarters are defined in para 7 of the Sub Treasury Manual and Board's Standing Order 182, para 10(vi) as follows:-

In the case of Taluk treasuries the duties of the officer who holds the keys of the Tahsildar during the latter's absence from headquarters are confined to

i. the custody of the keys.

i. Opening and shutting the mainstore and the double lock stamp almyrah and being present in the Strong Room whenever there are double lock transactions either of cash or of stamps

iii. Being present at the verification of the balance under double locks whenever there is a transfer of charge and

iv. Certifying to the correctness of the cash balance ~~of~~ the closing day of the Sub Treasury Accounts and signing the cash balance report the account current, etc.

I have strictly adhered to these rules and there is nothing to show that I committed breach of any of them.

Further, it was under the rule the duty of the Sub Treasury officer to make an effective check by taking the contents of each bag of rupees and counting the notes in all the bundles and placing the same in the mainchest and also to

to ~~xxxx~~ initial the entries in the shroff's balance sheet though as a matter of fact, in order to satisfy myself as to the correctness of the amount by rough verification I used to count the bags and the currency notes of higher denomination though I was not I respectfully submit bound by the rules to do so.

8. There is no foundation for the defence that it is the duty of the sub treasury officer to initial in the shroff's balance sheet against the entries of moneys placed in double lock. It has all along been the practice for the Sub Magistrate when in charge of the Tahsildar's keys to initial these entries and this I take to be in recognition of his responsibility, arising under note (2) of article 16 of the Sub Treasury Manual for the correctness of the amount placed in double lock. The passage quoted from article 13 does not relate to initialling the entries but to the writing of the figures themselves. With regard to this a certain ambiguity does arise.

The words underlined in "every entry to be separately made in his own hand and initialled by the Tahsildar or Stationery Sub Magistrate at the time of opening the main stores" ~~xxx~~ were newly inserted in the form under the correction slip No. VIII dated the 6th December 1916 and revised forms were brought into use in the Udipi sub treasury from 12th March 1918 or more than one year before the embezzlement took place.

This wording newly inserted is not in agreement with article 13 of the Sub Treasury Manual under which the responsibility for entering the figures is placed on the sub treasury officer i.e. during the absence of the Tahsildar on the Head Accountant and not on the Stationery Sub Magistarte. I do not consider the Sub Magistrate is correct in his contention that the latter part of note (2) to article 16 " " and should check the balance with the Tahsildar both when taking and handing over charge" has been cancelled and wholly superceded by article 7(3),

"being present at the verification of the balance under double lock whenever there is a transfer of charge."

It is true that the wording of article 7 based on G.O.

G.O. 2160 Revenue dated the 5th June 1918 says that the duties of the Sub Magistrate in charge of the Tahsildar's keys are confined to the four prescribed duties but I consider the two passages quoted in practice amount to the same thing.

9. The question for decision is simple. Note 2 to article 16 of the Sub Treasury Manual lays down "the Sub Magistrate in charge of the keys of the double lock receptacle should be answerable for its contents".

The Sub Magistrate's contention is that he was not bound by the rules to check the cash and notes placed in double lock.

He ignores note (2) to article 16 of the Sub Treasury Manual and puts forward the contention that under correction slip XX dated the 5th August 1918 the old note to article 7 "see notes under paragraph 16" has been cancelled and his duties while in charge of the Tahsildar 's keys are as state in article 7 confined to the four particular items of work mentioned there. The defence is ingenious no doubt but note 2 to article 16 still stands uncancelled and that is enough to fix the responsibility on the stationery sub magistrate.

He omitted to make any effective check of the actual quantity of money under Re.1 notes and whole rupees 'placed in' double lock, and thereby facilitated the embezzlement of Gover ment money in his charge.

In all normal circumstances a Sub Magistrate has the duty of holding the Tahsildar's keys while the Tahsildar is on tour and posts of Deputy Tahsildars carrying no such duties are exceptional so I consider that the Sub Magistrate is not fi yet to hold an appointment to which such responsibilities are ordinarily attached.

10. Under Board's standing order No. 126 (see page 2 item C) Government reserve to themselves the power of reducin Sub Magistrate (or Deputy Tahsildar) as he is an officer exercising Magisterial powers and consequently I submit the case for orders as I do not consider I can deal with it adequately.

The Sub Magistrate admitted the facts on which the main charge No. 3 is based viz. the omission to count the rupee One notes and weigh or count the whole rupees and this is of much greater importance than any failure to obey the exact letter of the rule in article 7 of the Sub Treasury Manual requiring his presence when the Tahsildar checks the double lock balance. Consequently no charge was framed for disobdeience of the rules in article 7 as it is of minor importance though it is of greater importance when considering the conduct of the Tahsildar in this case.

* * *

II

Extract of para 4 of letter Ref.C. No.1436/Rev./19 dated the 24th July 1920 from the Collector of South Kanara to the Board of Revenue, Land Revenue.

---

* * *

I am afraid that nothing more than Rs1,753-14-10 as detailed above can be recovered and it seems to me impossible to hold the Sub Magistrate and much more so the Tahsildar responsible for the balance in view of the decision already passed by the Board in its reference 1157-19-2 (Confdl.) 104 dated the 4th September 1919 on the Sub Magistrate's case and in view of the fact that the Tahsildar was in camp and the Sub Magistrate was holding the Tahsildar's keys during the period when the embezzlement took place.

III

Letter No.T.M-5-4-17799 dated the 1st October 1920 from the Accountant General, Madras, to the Board of Revenue, Land Revenue.

I have the honour to invite a reference to the correspondence ending with letter Ref.C.No.1436 Rev. of 19 dated the 24th July 1920 addressed to the Board by the Collector of South Kanara a copy of which also was forwarded to this office by the latter regarding the defalcation by the late Head Shroff of the

the Udipi sub treasury and torequest that a copy of the final orde on the case when passed by the Board of Revenue may be kindly communicated to this office.

As the Stationery Magistrate who held the Tahsildar's keys at the time of the defalcation appears also to be partly responsible for the loss since under note 2 under para 16 of the Sub Treasury Manual he was answerable for the contents of the double lock receptacle and since under instructional foot note in form ~~xx~~ XVII of the same Manual he was required to set his initials against the entry of each double ~~x~~ lock transaction vide also in this connection para 8 of the Collector's Confidential Report to the Board Ref. on C. No. 1438 Rev. ~~fm~~ of 19 dated 1-8-1919, I would enquire whether any disciplinary ation has been or is proposed to be taken~~xgainst~~ against him.

IV.

Board's Reference No. B.954/20-4 dated 9th October 1920.

Defalcation (South Kanara)-Sub Treasury Udipi.

A copy of Board's Reference No. 1157/19-2 (confidential 104) dated 4th September 1919 will be communicated to the Accountant General.

2. The Accountant General is informed that on receipt of the Collector's letter C.No. 1436 Rev. of 1920 dated the 24th July 1920 the Board has ~~xxxxxxxx~~ called on him to submit proposal for writing off the balances when all possible recoveries have been made and the amount credited to the Treasury.

Copy of Board's Reference No.1157/29-2 (Confdl.104, dated 4th September 1919).

On a careful consideration of the facts of the case the Board considers that the Sub Magistrate is not very seriously to blame in the matter. It is quite clear that the officer who has to make the actual detailed check is the Sub Treasury Officer -

-the Head Accountant in this case. The Board doubts whether it is ~~expected~~ expected of an officer who merely holds the keys that he should more than satisfy himself that the number of bags and the bundles of notes are correct. The general responsibility of the Sub Magistrate for the contents of the double lock cannot however be overlooked. M.R.Ry., R.Siva Rao is accordingly censured for his negligence.

2. The Collector is requested to expedite his proposals about the recovery of the amount lost to Government, as any delay may render recovery difficult.

V.

Letter No. T.M-5-4-2797 dated the 6th November 1920 from the Accountant General, Madras, to the Secretary to the Board, Land Revenue.

--

I have the honour to acknowledge the receipt of the Board's reference No. 954/20-4 dated the 9th October 1920 communicating to this office a copy of its reference No. 1157/19-2 (Confdl. 104) dated the 4th September 1919 passing orders ~~on~~ regarding the share of the responsibility of the Sub Magistrate Mr. R.Siva Row, in the Udipi defalcation case. It was held by the Board that the Sub Magistrate was not very seriously to blame in the matter and that as an officer merely holding the keys of the Tahsildar, it was not to be expected that he should do more than satisfy himself that the number of money bags and the bundles of notes received in the double locks were correct. I am unable to agree with this view.

2. It will be seen from article 312 and rules 1 and 2 under article 305 of the Civil Account Code, Volume I that it is ordinarily the duty of the Tahsildar as Sub Treasury Officer to check the contents of money bags and notes bundles by actual weighment and count and to satisfy himself of their correctness before placing them under double locks. During the absence of the Tahsildar on tour his duties in the above respect naturally devolve upon the

officer who is empowered to hold his keys and it is accordingly laid down in note 2 under para 16 of the Sub Treasury Manual that a Sub Magistrate in charge of the keys of the double lock receptacle should be answerable for its contents. The foot note in form No. XVII of the Sub Treasury Manual (Shroff's daily balah sheet) requiring the Tahsildar or Stationary Sub Magistrate to make in his own hand and initial separately every entry relating to the money taken out or placed into the main store also enforces the above responsibility. In the case under consideration therefore as rightly pointed out by the Collector of South Kanara in para 9 of his letter Ref. on C. No. 1438/Rev/19 dated the 1st August 1919 the Sub Magistrate , Mr. Siva Row, clearly failed in his duties as holder of the ~~Tahsildar's keys~~ Tahsildar's keys and thereby facilitated the embezzlement. The hollowness of the Sub Magistrate's contention and the correctness of the Collector's views was also pointed out by this office in letter No. T.M-3-20593 dated the 19th December 1919 in which certain amendments to paras 7 and 13 of the Sub Treasury Manual were suggested so as to define the duties of holders of Tahsildar's keys more clearly and unmistakably, and the Board has also approved of the amendments. (Board's Proceedings No.6 dated the 22nd January 1920)

3. Having regard to the above facts therefore it does not seem to me that the disciplinary action taken against the Sub Magistrate, who is merely "~~censured~~ censured for his negligence" is adequate. I would accordingly request that the Board may reconsider its orders in the light of the above facts and communicate to me the further action that it may be pleased to take in the matter, as the case will be included in the next appropriation report and it will be necessary to satisfy the Comptroller General, as to the adequacy of the disciplinary action taken in the case.

(True copies)

C. Ramaswamy Chetty
Superintendent
Correspondence Section

RR 12

Board of Revenue, Madras.

(LAND REVENUE)

Proceedings No. 6, 22nd January 1920

Treasury (Sub-Treasury)

Board's Standing Order No. 182, paragraph 10 (vi)— Sub-Treasury Manual, paragraphs 7 and 13—Amended.

M. E. COUCHMAN, Esq., I.C.S.,
Commissioner of Land Revenue.

LL. E. BUCKLEY, Esq., C.S.I., I.C.S.,
Commissioner of Survey, Settlement and Land Records.

READ—the following papers :—

I

Letter—from the Collector of South Kanara.
Dated—the 1st August 1919.
No.—Ref. on C. 1438-Rev.

II

Letter—from the Accountant-General, Madras.
To—the Secretary to the Board (Land Revenue).
Dated—the 19th December 1919.
No.—T. M. 3-20593.

I have the honour to invite a reference to paragraph 4 of letter Ref. on C. No. 1438-Rev. dated the 1st August 1919, from the Collector of South Kanara to the Board of Revenue (Land Revenue), in connexion with the defalcation in the Udipi sub-treasury.

The Sub-Magistrate has contended under paragraph 13 of the Sub-Treasury Manual that it is the duty of the Sub-Treasury Officer—the Head Accountant being the Sub-Treasury officer in the absence of the Tahsildar on tour as per sub-paragraph under paragraph 2 of the Sub-Treasury Manual—and not of himself, to check the contents of the bags of rupees and count the notes in all the bundles when they are placed in or taken out of the main store and also initial the entries relating to them in the shroff's balance sheet, and that he was not therefore bound to do the above duties himself. The Sub-Magistrate has also pointed out in support of his contention, paragraph 7 of the Sub-Treasury Manual as corrected by slip No. 20, dated 5th August 1918, in which the duties of the officer holding the Tahsildar's keys are defined.

The Collector has of course answered the Sub-Magistrate's contentions by pointing out note 2 to paragraph 16 of the Sub-Treasury Manual and also the instruction at note indicated by an asterisk at foot of Form No. XVII of the Sub-Treasury Manual as corrected by slip No. 8, dated the 6th December 1916, wherein the duties of the officer holding the Tahsildar's keys are also defined. But as paragraphs 7 and 13 of the Sub-Treasury Manual are not in accordance with the duties laid down in the note 2 to paragraph 16 of the Sub-Treasury Manual and in the instructional note in form referred to above, I would suggest the following amendments to those paragraphs so that they may correctly express the intention of the rulings. I request the favour of the Board's approval to the same—

(1) *Paragraph 7 of Sub-Treasury Manual.*—*Omit* ' and ' in the 2nd line of item (2) and *add* at end of the item ' and being answerable for the contents of the double lock receptacles '.

(2) To the note under this paragraph *add* after ' 16 ' the words ' and the foot-note indicated by an asterisk in Form XVII '

(3) *Paragraph* 13.—*For* the words ' Sub-Treasury officer ' occurring in line 6 *substitute* ' Tahsildar or the officer holding his keys '

Resolution—No. 6, dated 22nd January 1920.

The following amendments will be made to the Sub-Treasury Manual and the Board's Standing Orders :—

SUB-TREASURY MANUAL.

Page 3, *paragraph* 7 *as amended by correction slip No. XX.—Omit* ' and ' in the second line of item (2), and *add* at the end of the sub-paragraph ' and being answerable for the contents of the double lock receptacles '.

To the note under this paragraph *add* after ' 16 ' the words ' and the foot-note indicated by an asterisk in Form XVII '.

Page 4, *paragraph* 13.—*For* the words ' Sub-treasury officer ' occurring in line 6 *substitute* ' Tahsildar or the officer holding his keys '.

BOARD'S STANDING ORDERS.

Volume I, *page* 349, *Standing Order No.* 182, *paragraph* 10 (*vi*).—*Omit* ' and ' in the second line of item (2), and *add* at the end of the sub-paragraph ' and being answerable for the contents of the double lock receptacles. '

(True extract)

H. R. PATE,
Secretary.

To the Accountant-General.
,, Collector of South Kanara.
,, Collectors of all districts (Divisional Officers, Treasury Deputy Collectors, Tahsildars and Deputy Tahsildars).
Copy to the Secretary to Government, Revenue Department.

O.F. 128.—1,000—17-7-20.

FINANCIAL **DEPARTMENT.**

CURRENT No Fin! 6634

Received ..... 192 . *Registered* 23-12-RR 1920.

Subject.

Fin! no 6634B-1 Financial Dept
27-12-20.
The main file is in Revenue
This reference may also be forwarded
to that Deptt for continuation
23/12/20. 22/12/20

UNDER SECY. TO GOVT. REVENUE DEPT. 6 JAN 1921

ENCLOSURES

No.

Spare copies

No. T.M.5-4- 6763

FORT ST. GEORGE,

Dated the 20th December 1920

From

W. D. WOOLLAM, ESQ.,
~~The~~ ACCOUNTANT-GENERAL, MADRAS,
Offg.

To

THE Chief SECRETARY TO THE GOVERNMENT OF MADRAS.
Financial Department.

SIR,

1p.345.20

With reference to my letter No.T.M.5-4-2864 dated the 6th November 1920, forwarding copies of correspondence in connection with a defalcation at Udipi Sub Treasury, I have the honour to state that the Board of Revenue have informed me in their Reference No.954/20-5 dated the 22nd November 1920 that they consider that there is no need to reopen the question. I venture to observe that the remarks made in my letter No.T.M. 5-4-2797 dated the 6th November 1920 (copy of which has already been furnished to Government) have not been adequately answered by the Board.

N.10-11 ante

I have the honour to be,
Sir,
Your most obedient servant,

W D Woollam

Offg. Accountant-General.

C.F.—81.

REVENUE **DEPARTMENT.**

D — Rev: 40

Received ..... 191 . *Registered* 8.12 191

JM 18/12/20

Subject.

Defalcation (South Kanara) - Udipi sub-treasury - Amount to be written off - Sanction requested.

ENCLOSURES.
No. .....
.....
Spare copies .....

Reference **No.** B. 954-20-6

Station Madras, , *Dated the* 16th December 1920

From (Name) J.A.Thorne Esquire, I.C.S.,

(Designation) Secretary Board of Revenue,
Land Revenue.

~~To The~~

E.Couchman Esquire, I.C.S., Commissioner of Land Revenue.

~~Sir,~~

Read the following papers:-

Again Board's Proceedings No.6, dated 22nd January 1920.

Letter from R.H.Ellis Esquire, I.C.S., Collector of South Kanara, Ref. P.R.No.2437/Rev./19 dated 15th March 1920.

Board's reference thereon No.B.954-20-1 dated 23rd March 1920.

Letter from R.H.Ellis Esquire, I.C.S., Collector of South Kanara, Ref. P.R.No.2437/19 dated 30th April 1920.

Board's reference thereon No. B.954-20-2 dated 21st May 1920.

P.T.O.

Letter from R.H.White Esquire, I.C.S., Collector of South Kanara, Ref. C.No.1136/Rev./19 dated 24th July 1920.

Board's reference thereon to the Collector of South Kanara No. B.934-20-3 dated 4th August 1920.

Letter from ~~XXXXXXXXXXXXXXXX~~ M.R.Ry. Rai Bahadur V.Rama Rao Avarsal, P.A. to Collector of South Kanara, Ref. No.C.1136/Rev./20 dated 3rd December 1920.

REFERENCE.

The Board requests the sanction of Government to write off the accounts a sum of Rs.363-11-6 which represents the uncollected balance of the amount embezzled in the Udipi sub-treasury in 1919. The facts of the case are given ~~XXXXXXX~~ below.

On the 1st April 1919, the tahsildar of Udipi discovered a deficit of Rs.2442-0-10 in the sub-treasury. The tahsildar wired the fact to the Collector ~~who~~ who submitted a report to the Board immediately. On receipt of a further detailed report and on a careful consideration of the facts of the case the Board held that the officer who failed to make the actual detailed check and thereby facilitated the embezzlement was the taluk head accountant. He was the sub treasury officer in the absence of the tahsildar who was in camp between the 18th and 31st March 1919. The Collector reduced the head accountant to a clerk's post on Rs.25/-. The Board considered that a censure was adequate punishment for the stationary sub-magistrate who held the tahsildar's keys of the sub-treasury during the tahsildar's absence on tour

and was technically responsible for inadequate supervision over the transactions of the sub-treasury. The head shroff who misappropriated the money committed suicide.

The Collector was instructed to recover the amount lost. He has been able to recover the following amounts:—

	Rs	as	ps
Amount which stood to the credit of the shroff in the Savings Bank at Udipi.	31	1	0
Cash and moveables attached in his house	64	5	0
Amount recovered from one of the sureties	1000	0	0
Amount recovered on account of a Postal Insurance Policy held by the shroff.	508	8	10
Amount realised from the sale of the shares held by the shroff in the Kanara Banking Corporation.	170	0	0
Amount realised on account of the value of mismatched notes, foreign and counterfeit coins and the balance of undisbursed pay due to the shroff.	12	6	4
Total	1786	5	2
Balance uncollected ...	655	11	8

2442-0-10

The Collector reports that no further recoveries are possible. The Board requests therefore that the balance of Rs.655-11-8 may be written off the accounts.

Secretary.

To the Secretary to Government, Revenue Department.

S.16/12.

12.12.20.

Scott, II-8 (c)—135,005—27-4-15.

~~NOTES~~. 18

Page ———

Received in Fair copying section. Dish 3.1.21

Copied. 3/1.

Examined. Dish 3.1.21

Signed.

Despatched. 3-1-21

C. No. 6467 D/20.

From the Board of Rev. L.P.

Ref. No. B.954-20-6 d/ 16.12.20

Endt. No. 6467 D/20-1 d/ 3.1.1921

Ho. S. today 3.1.20 + return file intact

Referred to the Accountant-General for remarks.

Dhn 31.1.21

Pm 31.12.20

To the Accountant-General with Copy of L.f.

DESPATCHED 3 JAN 1921

placed index

1,000—28-8-18.

REVENUE **DEPARTMENT.**

CURRENT No. 2680

Received 1 1921 *Registered* 18/1/21 1921

UNDER SECY. TO GOVT. 19JAN1921 REVENUE DEPT.

Subject.

ENCLOSURES.
No. One

Spare copies

No. T.M. 5-4-781

FORT ST. GEORGE,

Dated the 14th January 1921.

From

~~A. NEWMARCH, Esq.~~,
The ACCOUNTANT-GENERAL, MADRAS,

To

THE SECRETARY TO THE GOVERNMENT OF MADRAS.
Revenue Department.

SIR,

With reference to Government Endt. No. 6467-D/20-1, dated the 3rd January 1921, forwarding for remarks Ref. No. B-954 20-6, dated 16th December 1920, from the Board of Revenue, abou the irrecoverable loss of Rs. 655.11.8 defalcated at the Udipi Sub Treasury, I have the honour to state that there is no audit objection to Government in the Financial Department sanctioning the writing off of the amount under Article 279 (a) of Volume I of the Civil Account Code.

I have the honour to be,
Sir,
Your most obedient servant,

Deputy Accountant-General.

O.F. 128—1,00[illegible]—17-7-20.

Revenue DEPARTMENT.

CURRENT No 1360 A

Received 192 1 Registered 3.3. 192 1

Subject.

Rev. wo 1360 A/21-1
10-3-21

Enclosures

No.

Spare copies

No. T.M.5-4-5226

Fort St. George,

Dated the 1st March 1921.

From

The ACCOUNTANT-GENERAL, MADRAS,

To

The SECRETARY to the GOVERNMENT of MADRAS
Revenue Department.

Sir,

I have the honour to invite a reference to this Office lette No.T.M.5-4-981, dated 17th January 1921 stating that there is no audit objection to the Government sanctioning the writing off of the amoun of Rs.655-11-8 being the irrecoverable loss in the defalcations of the Udipi Sub treasury and to inquire when the orders of Government may be expected thereon.

I have the honour to be,
Sir,
Your most obedient servant,

Dy.Accountant-General.

O.F. 128—1,000—17-7-20.

REVENUE DEPARTMENT.

CURRENT No 21

REVENUE-D 2779

Regd. 13-5-

Received 13-5- 1921. Registered 13-5- 1921

Subject.

Finance No. in continuation of
Revenue No. 2779 D/21-1 dt 14-3-1921

Enclosures

No.

Spare copies

No. T.M.5-4/ 11686

Fort St. George,

Dated the 11th May 1921

From

The ACCOUNTANT-GENERAL, MADRAS,

To

The SECRETARY TO THE GOVERNMENT OF MADRAS.

Revenue Department.

Sir,

I have the honour to invite a reference to this office letter No.T.M.5-4-981, dated 17th January 1921 and T.M. 5-4-5226, dated 2nd March 1921 stating that there is no audit objection to the Government sanctioning the write off of the amount of Rs.655.11.8 being the irrecoverable loss in the defalcation of the Udipi Sub-Treasury and to enquire when the orders of Government may be expected thereon.

I have the honour to be,
Sir,
Your most obedient servant,

Deputy Accountant-General.

Finance Secy

Revenue No. in Continuation of
this Secy No. 3187B-1 dt 23.5.21

Subject Irrecovera[ble] money — Writing off the accounts.

H.15-17 c.f. c. no. 6467 D. from the Board of Rev. & P.
Ref. no. B. 954-20-6 of 16.12.

To Under Secretary.

Being account matter, it seems advisable to refer the current to A.f. for remarks; a draft endt. is submitted for approval.

Issue Rem[ittance] for perusal
31.12.

31.12.20

Rev. u.o. 6467 D/20-2
4.1.21

Ent. A.O

EO 3/1/21

Financial Department.

Financial Irregularities relating 1919-1920.

C.No. 4826 B. From the Accountant-General, No.T.M. 23-67-1815-3 dated 5th October 1920.

The Accountant-General submits a list of irregularities which he proposes to forward to the Comptroller and Auditor General for selection of cases for incorporation in the latter's general appropriation report for 1919-1920. The Accountant General has also sent an advance copy of his general remarks on the irregularities which alone will appear in his appropriation report. Final copy of the Accountant-General's report is due with the Government on the 1st January 1921 - Vide para of G.O.No. 549 Finl., dated 17-8-1917. The object of obtaining an advance copy of the list of irregularities is to judge whether the disciplinary action taken by heads of Departments is sufficient before the irregularities appear in the Comptroller General's report.

2. Civil departments.- The irregularities noticed by the Accountant-General may be broadly classed under:--

(a) Drawal of money in advance of requirements	Four instances are quoted.
(b) Double payment due to inattention to rules and negligences.	One case is reported.
(c) Defalcations and embuzzlements due to negligence lax supervision and inattention to rules.	Seven cases are brought to notice.
(d) Loss of public money occasioned through negligence.	Six cases are reported.
(e) Irregular advances and excess payments.	Two cases are reported.
(f) Miscellaneous	Two instances quoted

3. The several irregularities brought to notice are examined below seriatim:

(5) Defalcation through fraud of a sum of Rs. 2445-0-10 by the head shroff of the sub treasury at Udipi. The head shroff committed suicide by drowning himself. The head ~~xx~~ clerk, whose disobedience of rules facilitated the defalcation was reduced to Rs.25 and has since died. No punishment seems, however, to have been imposed on the Sub-Magistrate who was also partly responsible.

Of the amount defalcated, recoveries to the extent of Rs.1603-14-10 have already been made and the Collector expects to recover a further sum of Rs.150 from the shroff's properties. The adjustment of the balance is under consideration between the Collector and the Board. It is presumed that the Accountant-General will send a report to Government on the subject. The Revenue Department may however, be asked to obtain full information in the matter and to intimate to this Department what disciplinary action they propose to take against the officer.

Revenue Department.

To Under Secretary.

This department is concerned with the treasury irregularities referred to ~~at~~ above pp. 2-3 supra which ~~are~~ is proposed to be incorporated in the Comptroller and Auditor-General's appropriation report. ~~They are examined seriatim below.~~

IX

(a) Defalcation in the sub-treasury at Udipi.

The defalcation was due to the fraud of the head shroff of the sub-treasury. The other officers responsible in this connection are (1) the head accountant and (2) the Stationary sub-Magistrate. The head shroff committed suicide by -- drowning himself in a well on the day on which the defalcation came to notice. The head accountant who facilitated the fraud was reduced to a clerk on Rs.25 and has since died. As regards the sub-magistrate please see his explanation at pp. ~~5-6~~ the Collr's remarks at pp. 6-8 c.f. and the Board's findings at pp ~~12-13~~ 9-10 c.f. The Board is of opinion that the sub-magistrate is not very seriously to blame in the matter and has only censured him for his negligence. But the Accountant-General is not apparently satisfied and wants further action to the taken - vide his letter at pp. ~~13-14~~ 10-11 c.f. Submitted the Board may be asked to state what further disciplinary action was taken against the sub-magistrate with reference to the Accountant-General's letter. The Board may also be asked to report on the adjustment of the balance of Rs.691-2-0 yet to be recovered.

J.B.B.
16-12-20.

* * * J.B.B. 16.12.20

L.R. U.O. No.B. 4509 dated 20-12-1920.

Treasuries - Irregularities - Action taken - Report called for.

Udipi Sub Treasury:-

The Board considered that there was no need to reopen the question after a lapse of 15 months. For the other information required reference is solicited to the Board's (L.R.) Ref.B.954-20-6 dated 16-12-20.

pp. 15-17 C f.

5

Palkonda Sub Treasury:--

The Collector Mr. Huggins reported that he was warned the Tahsildar and censured the Head Accountant severely. After consulting the local Government Pleader he proposed that no criminal action could be taken against the Kurnam. No disciplinary action appears to have been taken against him. The Board has not yet passed final orders in the matter.

To prevent the recurrence of similar irregularities instructions have been issued to all Collectors in Board's Reference No.B.1434-20-2 dated 18-9-1920 calling on them to see that the rules laid down in paragraph 50 of the Sub Treasury Manual &c.. are followed.

Revenue Department.

To Under Secretary.

Submitted.

2. The Board's u.o. reply at ~~pp~~ supra may, it is submitted, be sent to Financial with the information that the Board's final orders on Repalli and Palkonda sub-treasuries will be forwarded to that department on receipt.

E.S.L.
3-1-21.

3. As regards Udipi sub-treasury, the Board reports that the balance uncollected is Rs.655-11-8 and that no further recoveries are possible. It recommends that the amount may be written off the accounts. In the case of the Stationary Sub-Magistrate it does not propose to take any further disciplinary action against him. The Board's view may, it is submitted, be approved.

p.17e.j

V.S.M.
31-12-20.

S/ J.B.B.
3-1-21.

The Udipi Sub Magistrate was I think lightly treated by the Board but considering the length of time that has elapsed since the defalcation took place it hardly seems necessary now to insist on severer measures.

E.S.L.
3-1-21.

Financial u.o.

Financial Department.

Please see the Finance Department note ~~at~~ on pages ante. Of the three cases relating to the Revenue Department, two, i.e., items 8 and 9 are reported to be still under consideration in the Board. Final orders of the Board may be awaited.

2. As regards item (5) i.e., defalcation in the Udipi sub treasury, attention is invited to

(i) the Accountant-General's letter to the Board No. T.M. 5-4-2797 dated 6-11-20 (pp. ~~13-14~~ 10-11 c.f.)

(ii) Accountant-General's letter dated 20-12-20 (p. 14 c.f.)

(iii) Para 1 of the Board's u.o. note on page 14 ante and Revenue Secretary's remarks ~~on page 9 ante~~ above.

As observed by the Revenue Secretary the Stationary Sub Magistrate, who held the keys of the Tahsildar during the latter's absence, has been lightly treated by the Board. But the Revenue Secretary -- apparently agrees with the Board that it is now unnecessary to reopen the case owing to the length of time that has elapsed. ~~In the linked case~~ at p. 17 c.f. the Board has applied for sanction to write-off the irrecoverable amount of Rs.655-11-8. As it has been admitted that the sub magistrate was also responsible for this loss, Revenue may, perhaps, be requested to consider whether a moiety of this amount may not be recovered from the sub-magistrate.

7

3. The case may be returned to Revenue u.o. with reference to para.2 supra. ~~That department~~ may be requested to take necessary extracts of these notes relating to the defalcation in the Udipi sub-treasury and return the case to this department as orders have to be passed separately on the Accountant General's letter No. T.M. 23-67-1815 -3 dated 5-10-1920.

S/ J.M.H.
21-1-21.

I do not think that a censure is an adequate disposal, or that delay in passing orders renders disciplinary action unnecessary.

R.A.G.
23-1-21.

Rev. deptt.

Issued as Endt. 6467D/20-1 dt 3.1.1920
C.No. 268D. from the A.G. No. T.M. 23-4-981 dt...

To Under Secretary

Please see notes from p. 3 supra
The finance deptt. ~~apparently~~ support the A. G's view that the Board's censures to the Stationary sub. magistrate is not an adequate punishment & suggest that a moiety of the unrecoverable amount of Rs. 655. 11. 8 which
p.17 c.f. the Board proposes to write off the accounts may be recovered from the sub. magistrate In its u.o. reply at p. 4 supra the Board stated that, considering the length of time that has

elapsed since the defalcation, it thought unnecessary to take further action in the matter. This view

p 6 Supra was supported by Mr. Lloyd the previous Secretary. For orders whether the Board may be asked to

x pp. 9-10 of C/f reconsider its x decision of C/C/C. Under F.O. No. 3976 of 16.12.18 the punishment has to be inflicted first by the

1000 / 2.2.21 Board.

The rules on the responsibility of the officer holding the ~~Custody of~~ keys during the absence of the Pakr were by no means clear before they were amended in

P 12 C/f. BP 6 of 22.1.20

¶ 3 of the manual Paragraph 7 of the Sub-Trs manual ~~officer~~ did not lay down that the officer was responsible for the contents of the double lock. There is a note under this paragraph drawing attention to the note under paragraph 16. Note 2 under paragraph

P 6 of the manual 16 is not as clear as it ~~may~~ might be. While making the custodian of the keys generally responsible for the double lock contents, the note ~~does~~ makes specific mention of Checking the balance with the Pakr when taking and handing over charge. Further even this note under paragraph 7 is omitted in the Correction slip XX of 5.8.1918 although it was apparently not the intention to delete it. There is a note at the foot of statement

P 136. ibid no XVII that every entry should be initialled by the Sub magte but there is no such provision in paragraph 13

under which the statement is prepared,
~~which directs the preparation of the~~
~~statement~~ ? In this paragraph reference
is made only to the Sub. Dy Opposer
and under paragraph 2 of the manual
the Taluk Head accountant is the Sub Dy
Opposer. When the Taluk is on tour
The very fact that it has been found
necessary to make the rules more
explicit (vide amendments in BP 6 of
22.1.20) shows that they were not
quite clear and the Board seems
to have been justified in giving the
benefit of doubt to the Sub magistrate
and letting him off with a censure
In view of this and in view also of the
time that has elapsed it is probably
unnecessary to reopen the matter
which has been settled by the Board
as the Head of the department

0 12 07

PP 9 & 10 07

S
4.2.21

I do not think the mere fact of delay
in passing orders is a sufficient
reason for not taking further
action, but the orders about the
Sub Magistrate's responsibility were
certainly not very clear as
pointed out above and

and one would think that such an important direction should have been embodied in the main paragraph and not relegated to a corner or a statement in an appendix

10

for this reason perhaps the Fin[ce] Dept may reconsider their view that further disciplinary action should now be taken.

9-2-21

Fin[l] U.O.

CHIEF SECRETARIAT
21 FEB 19
MADRAS GOVT.

9.3.1921

Rev. U.O. 6467 D/20-2
9. 2. 1921

Finance Deptt.

Please see the Finance Deptt. note on pages 6-7 ante. It is for consideration whether the decision will be reconsidered in the light of the Revenue deptt note above

Fin[l] 1301 B
22.2.21

14.3.21

22/3/21

Please put up with the rules quoted

30/3/21

A copy of the Madras Sub-Treasury manual is now put up.

31.3.21.

ASSISTANT SECRETARIAT
21 MAR 1921
GOVT. OF MADRAS

31/3/21

It may be seen that para 7 of the Sub-Trg. Manual

Note.
The copy was not put up in final as Finance say I was told by the Secy & Asst. S. had seen it in connection with

as it stood, did not in words say that the officer holding the Table Key was responsible for the contents of the clerks-book. It required him to be present at clerks-book transactions and obviously his presence in such case is not intended to be merely ornamental. The note to Article 16 is clear enough, and the contention that it was abrogated by para 7 seems quite untenable.

As for para 13 which relates to the filling up of transactions as they occur in the form xvii, the instructions in the form itself explicitly require the Sub-Lieut to make and initial separately with his own hand every entry of money placed in or taken out, and this rule was in force a year before the defalcation. It is absurd to suppose that the Sub-Lieut did his duty if he merely initialled the entry without satisfying himself that the money had in fact been placed in the clerks book. His failure to do so (Col Coll's report) facilitated the fraud

† p. 7 c. f.
† p. 11 c. f.

I agree with the Coll in the † A.G. must enforce the responsibility which the Sub-Lieut seeks to evade by

particulars, but to say quite the
reverse of the rules & facts=

MLP
9.4.21.

Rw:

Rev. dept

Rev. 130/B-1
12-4-21

FD.

To Under Secretary

Submitted.

Rev. 2274 D
14.4.21

2/ In the portion A at p. 6 supra the Finance dept. suggest that the Stationary Sub-Magte. should be made to pay a moiety of the irrecoverable amount i.e. is Rs. 655-11-8.

p. 17 c.f.

S/ For orders

Rm
20.4.21

25/4/21

I believe that I was the Member of the Board responsible for the order (copy of which will be found on pages 9-10 C.X) under which the Sub Magistrate was only censured for negligence. That order I venture was passed, I think, only on a consideration of the question whether he should be reduced and in paragraph 2 there of the Collector was requested to expedite his proposals for the recovery of the amount lost. As I was

subsequently found that a portion of the amount was irrecoverable as it was then, I consider, quite possible for the Board to have made a money recovery from the late Magistrate, and apart from the fact that the defalcations occurred two years ago there is I think nothing to prevent the Government ordering the recovery now. The Comptroller General is naturally much concerned with losses by embezzlement in treasuries and has on the past occasions strongly deterrent action has not been taken in Madras.

The late Magistrate's only excuse, as observed by Mr MacMichael in his note on page 9 above, was that the rules as to his responsibility were not very clear at the time, but there is no doubt that he was careless and as I observed as Member of the Board his general responsibility for the contents of the district treasury cannot be overlooked. I am bound

I agree with the Finance Secretary's note on pages 10-12.

It is for orders whether Government will move insist on the payment of the irrecoverable amount still remaining Rs 655-11-0. It can be recovered in such instalments as the Collector considers reasonable.

Box No. 4

Corrd 26.4.21

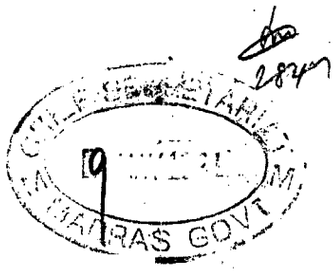
Rtd 27.4.21

Ent 26/4/21

C(3),

I own that I find myself unable to accept the defence that, as custodian of the Treasury keys during the absence of the Tahsildar on tour, the Sub-Master incurred no more responsibility than that of being present when the double lock was opened either for the purpose of taking money out of it or placing money into it. It is indeed astounding to be told that this responsibility did not ipso facto include that of being satisfied that only so much money as purported to be taken out was actually withdrawn or that all money which ought to have been put in was actually put in. If a

Shaw nonsense to contend, almost
air of reliance on rules, that his
duty began and ended with the
shutting of the double lock!
no hesitation in holding with the
the A.G., that the Sub. Magis
exhibited the grossest negligence in
discharge of this very important
that the balance of loss occa
to public revenues must be recove
him. The reasons which would
recovery of a moiety of the loss ou
be sufficient in collecting the whole am
from him. Of course it will be with
the discretion of the Coll. & the Board
Rev. to allow him such easy terms
they may consider Expedient



2874

27.4.21

Draft.

E.R. 28/4/21

To Under Secretary.

A draft order is annexed

Fwd 31/5/21 for approval.

2.5.21

Finance should see before
issues

E.R. 5/5/21

Fin. M.O

Rev. u.o. 6467 D/20-0

7.5.21

Finance Dept.

Please see the Finance Dept. notes on pages 10-12 ante et seq. The Revenue Dept. now agree to recover the balance of Rs 655-11-8 from the Stationer Sub-Magistrate concerned.

H.M's note on p. 15 ante & after note.

From the report on page 1 ante it will be seen that a sum of Rs 2442-0-10 was missing from the Treasury and a sum of Rs 3 out of the office permanent advance and undisbursed pay was also missing. In calculating the balance of Rs 655-11-8 as uncollected, the Board has taken only the former amount into account, and it is not known whether the sum of Rs 3/- was since collected. Orders are requested whether Revenue may be requested to throw further light on this point or whether the draft may be accepted as the further amount involved (Rs 3) is trifling.

p. 17 ante.

Rev 3010D
Rgd 25-5-21.

Fin. No. 3181B/25.5.21

May accept draft.

25.5.21

16.5.21

Rev. 0.0.

12/8/21

Accepted.
A.M.
20.5.21.

Received fair-co

Copied by 31/5/21

Examined by

Signed

Despatched

Kodpi sub-treasury. — Balance uncollected — Recovery from the Stationary Sub. magte. or Head.

READ AGAIN G.O. No. ....., dated 192

" " " " ..... " 192

READ ALSO:—

C. No. ....., From the Accountant-General, No. T.M.S-4-2664 dated 6. 11. 1920

13 c.f. 14 c.f. 15-17 c.f. p.19 c.f. p.19 c.f. p.20 c.f. p.21 c.f.

From the Do. No. T.M.S-4-6763 dated 20. 12. 1920

From the Board of Rev. & P. Ref. No. B.954-20-6 dated 16. 12. 1920

Endt. to the A.G. No. 6467-D/20-1 dated 3. 1. 1921

From the Do. No. T.M.S-4-981 dated 17. 1. 1921

From the do. No. T.M.S-4-5226 dated 1. 3. 1921.

From the do. No. T.M.S-4-4685 dated 11-5-1921

ORDER.

No. 1206, dated 31-5- 192

Mis.

31/5

p.10c.f.

The Government have carefully examined the correspondence read above relating to the defalcation in the Kodpi sub-treasury and are unable to accept the defence of the Stationary Sub-magistrate M. R. Ry. R. Siva Rao that, as custodian of the treasury he he incurred no more responsibility than that of being present during the double lock transactions. The Government agree with the Accountant General that all the duties of the tahsildar as Sub-treasury officer devolve on the officer holding his he during his absence on tour and that in the present case, the Stationary

p.10-11 c.f.

his [redacted] of the [redacted]
to, and thereby facilitated the
embezzlement. The disciplinary action
taken by the Board against the
Sub-magistrate is, in the opinion of
Government, inadequate, and they
accordingly direct that the uncollected
balance of the amount embezzled viz.
Rs. 655-11-8 should be recovered
from him. The Board of Revenue
is requested to make arrangements
with the Collector of South Kanara
for the recovery of the sum in
such instalments as may be considered
reasonable.

Boom
2.5.21

To the Board of Rev. L.R.
" A. J.
" Finance Sepl.